

7142

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

Year Ended December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/9/10

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Family and Youth Counseling Agency, Inc.
Lake Charles, Louisiana

I have audited the accompanying statement of financial position of Family and Youth Counseling Agency, Inc., (a non-profit organization) as of December 31, 2009, and the related statement of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Family and Youth Counseling Agency, Inc. as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated April 30, 2010 on my consideration of the Agency's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.



Lake Charles, Louisiana
April 30, 2010

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2009

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 283,475
Investments	504,945
Unconditional promises to give	257,617
Accounts receivable, less allowance for doubtful accounts of \$1,893	13,482
Contracts receivable	97,659
Prepaid expenses	27,189
Total current assets	<u>1,184,367</u>

PROPERTY AND EQUIPMENT

Building	706,148
Furniture and equipment	214,882
	<u>921,030</u>
Less accumulated depreciation	<u>(407,182)</u>
	513,848
Land	82,800
Net property and equipment	<u>596,648</u>
Total assets	<u>\$ 1,781,015</u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2009

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current portion of long-term debt	\$ 25,000
Accrued expenses	22,655
Unearned income	<u>198,093</u>
Total current liabilities	<u>245,748</u>

LONG TERM LIABILITIES, less current portion

Notes payable	<u>125,000</u>
Total liabilities	<u>370,748</u>

NET ASSETS

Unrestricted	
Undesignated	<u>1,152,650</u>
Total unrestricted net assets	<u>1,152,650</u>

Temporarily restricted	<u>257,617</u>
Total net assets	<u>1,410,267</u>

Total liabilities and net assets	<u>\$ 1,781,015</u>
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The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Total
REVENUE, GAINS AND OTHER SUPPORT			
United Way of Southwest Louisiana	\$ -	\$ 257,617	\$ 257,617
Grants and service fees	1,086,524	-	1,086,524
Program income	378,349	-	378,349
Contributions	75,250	-	75,250
Investment earnings (loss)	12,678	-	12,678
Unrealized gain (loss) on investments	64,802	-	64,802
Other	14,894	-	14,894
Fund raising/special events	83,316	-	83,316
Total revenues and gains	<u>1,715,813</u>	<u>257,617</u>	<u>1,973,430</u>
Net assets released from restrictions	<u>432,870</u>	<u>(432,870)</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	2,148,683	(175,253)	1,973,430
EXPENSES AND LOSSES			
Program service - counseling	1,597,326	-	1,597,326
Management and general	161,020	-	161,020
Fund raising/special events	291,958	-	291,958
TOTAL EXPENSES AND LOSSES	2,050,304	-	2,050,304
CHANGE IN NET ASSETS	98,379	(175,253)	(76,874)
NET ASSETS AT BEGINNING OF YEAR	1,054,271	432,870	1,487,141
NET ASSETS AT END OF YEAR	\$ <u>1,152,650</u>	\$ <u>257,617</u>	\$ <u>1,410,267</u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2009

Cash Flows From Operating Activities	
Increase (decrease) in net assets	\$ (76,874)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation expense	25,691
Unrealized appreciation of investments	(64,802)
Loss on disposal of property and equipment	4,198
(Increase) decrease in operating assets:	
Accounts and contracts receivable	193,449
Prepaid expenses	1,373
Increase (decrease) in operating liabilities:	
Accounts payable	(9,585)
Accrued expense	(4,652)
Unearned income	96,005
	<hr/>
Total Adjustments	241,677
	<hr/>
Net Cash Provided (Used) By Operating Activities	164,803
	<hr/>
Cash Flows From Investing Activities	
Sales/redemption of investments	21,877
Purchases of investments	(7,511)
Purchase of property and equipment	(8,182)
	<hr/>
Net Cash Provided (Used) By Investing Activities	6,184
	<hr/>
Cash Flows From Financing Activities	
Principal payments on notes payable	(25,000)
	<hr/>
Net Cash Provided (Used) By Financing Activities	(25,000)
	<hr/>
Net Increase (Decrease) In Cash	145,987
Cash - Beginning of Year	<hr/> 137,488
Cash - End of Year	<hr/> <u>\$ 283,475</u>

The accompanying notes are an integral part of these statements

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2008

		Supporting Services		
	Program Services	Management and General	Fund Raising	Total
Salaries	\$ 1,005,880	\$ 98,135	\$ 122,669	\$ 1,226,684
Employee benefits	139,141	13,575	16,968	169,684
Payroll taxes	66,433	6,481	8,101	81,015
Professional fees	32,197	3,577	-	35,774
Supplies	25,615	2,846	-	28,461
Telephone	19,114	2,124	-	21,238
Postage and shipping	3,691	410	-	4,101
Occupancy	63,145	7,016	-	70,161
Rental and maintenance of equipment	8,376	931	-	9,307
Printing and publications	14,624	1,625	-	16,249
Travel	44,022	4,891	-	48,913
Conference and meetings	54,045	6,005	-	60,050
Membership dues	3,148	350	-	3,498
Specific assistance	410	-	-	410
Insurance	39,770	4,419	-	44,189
Bad debts	10,098	1,122	-	11,220
Affiliation dues	4,504	501	-	5,005
Fund raising	-	-	144,220	144,220
Miscellaneous	39,991	4,443	-	44,434
Total before depreciation	1,574,204	158,451	291,958	2,024,613
Depreciation	23,122	2,569	-	25,691
Total expenses	\$ 1,597,326	\$ 161,020	\$ 291,958	\$ 2,050,304

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Family and Youth Counseling Agency, Inc. (the Agency) is presented to assist in understanding the Agency's financial statements. The financial statements and notes are representations of the Agency's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

A. Nature of Activities

The Family and Youth Counseling Agency, Inc. is a Louisiana not-for-profit corporation that operates under a Board of Directors which appoints an Executive Director and otherwise controls and guides the Agency. The Agency serves as an "umbrella" organization for several family assistance and counseling programs, as follows:

Autism Support Alliance promotes access and opportunities for persons with autism and their families to be fully included as participating members of their communities. As such, the alliance supports the family's plan and empowers the family in negotiating the systems of health care, social service and education resources.

Court Appointed Special Advocates (CASA) are volunteers who speak in court for a child's best interest. Judges appoint a CASA volunteer to an abused or neglected child who has been removed from his or her home. The CASA volunteer helps to ensure that the child receives appropriate care, whether from a foster home or relative's home while he or she is in the court system. Volunteers are trained and supported by CASA staff.

Children's Advocacy Center is a child-friendly facility designed to coordinate services for children who have been reported as sexually or severely physically abused. Designed and managed to reduce the effects of trauma, the center's comfortable environment and well-trained staff work together with area prosecutors, law enforcement agents, social service workers, therapists, victim advocates and medical professionals to investigate child abuse allegations and reduce the number of investigative interviews typically experienced by victims.

The Counseling Center's licensed and professionally credentialed clinicians and para-professionals provide a wide range of constructive and life-changing services in the form of counseling, consultation, and education to benefit individuals, couples, and families in Southwest Louisiana. Based on the belief that all individuals possess the ability to solve their own challenges and live a healthy life when support is available, counselors and case managers utilize a strength-based, client-directed and outcome-informed approach. The overriding goal is to support and encourage the development of greater well-being among the citizens of Southwest Louisiana.

Children & Families Action Network (CFAN) exists to promote mission-based advocacy for the purpose of increasing civic engagement and participation to effect changes in public policy on behalf of children, families and communities.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Nature of Activities (Continued)

Human Services Response Institute (HSRI) was originated to address the consequences of any major disaster or emergency faced by a community. HSRI personnel provide professional disaster-related services, including intensive case management to develop long-range plans for evacuees; family budgeting and financial management; mental health counseling; job development; and housing and relocation assistance.

The Leadership Center for Youth provides guidance, leadership development, career exploration and civic engagement opportunities to facilitate the youth's success and involvement in the community. Committed to shaping today's youth into strong leaders for tomorrow, The Leadership Center provides opportunities for positive youth development.

Performance Employee Assistance and Business Services provides high-quality, affordable human support services to leading businesses in Southwest Louisiana. Multiple and single behavioral risk factors are identified and addressed by employee assistance counselors who consider the impact of personal problems in the workplace. Through counseling, consultation and well-designed training, performance professionals take care of the heart and soul of area businesses so that businesses can pay attention to their bottom line.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Basis of Accounting

The financial statements of the Agency have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

D. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

E. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Agency considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restriction regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. They Agency reclassifies temporarily restricted net assets to unrestricted net assets at that time.

G. Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency. Included in the financial statements are donated services valued at \$38,406 for the Child Advocacy, CASA, and Counseling programs. Volunteers also provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

H. Income Taxes

The Agency is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

I. Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair market value. Donated investments are reflected as contributions at their market values at date of receipt. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

J. Promises to Give

Unconditional promises to give are recognized as revenues, or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At December 31, 2009, the unconditional promise to give of \$257,617 was from United Way of Southwest Louisiana. These funds will be received in the year 2010 but are recorded as temporary restricted revenues for the year ended December 31, 2009 in accordance with SFAS 116, *Accounting for Contributions Received and Contributions Made*.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Restricted and Unrestricted Revenue Support

Contributions received are recorded as unrestricted, temporarily unrestricted, or permanently restricted support, depending on the existence and/or nature of any donor restriction.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. In the event that restricted support is received in the same period as the restriction lapses, the agency follows the practice of reporting the support as unrestricted.

L. Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterment that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost. The Agency uses straight-line depreciation.

M. Concentration of Revenue and Support

The majority of the funding for the Agency's programs is provided by the United Way of Southwest Louisiana (21%) and various federal, state, and local grants on a year-by-year basis. In addition, the Agency derives its program fees from the geographic region of Southwest Louisiana encompassing five parishes.

N. Fair Values of Financial Instruments

The Agency has a number of financial instruments, none of which is held for trading purposes. The Agency estimates that the fair value of all financial instruments at December 31, 2009 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Agency using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the agency could realize in a current market exchange. The recorded values of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values based on their short-term nature. The recorded values of notes payable approximate their fair value, as interest is insignificant.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2009

NOTE 2 - LONG TERM LIABILITIES

The note payable for the Agency at December 31, 2009 consisted of the following:

The Joe W. and Dorothy Dorsett Brown Foundation
New Orleans, Louisiana:

The Agency received a loan from the Brown Foundation in which the Foundation advanced Funds of \$500,000 for the construction of a new facility. The terms of this loan require repayment in annual installments of \$25,000 over a 20 year period with no stated interest. Imputed interest on these advances does not apply because the present value of the debt service is presumed to equal the cash received

\$150,000

Less current maturities

25,000

Total long-term portion

\$125,000

The following is a schedule of principal payments on long-term debt for the five years subsequent to December 31, 2009:

Year Ending December 31:

2010	\$ 25,000
2011	25,000
2012	25,000
2013	25,000
2014	25,000
2015	<u>25,000</u>
Total	\$150,000

NOTE 3 - FUND-RAISING

Certain publicity and promotion activities were undertaken in the year, which also serves as fund-raising events. Total fund raising for 2009 yielded \$83,316 with the cost of these activities being \$291,958, which included the partial costs of salaries of employees involved in fundraising efforts. These fund raising expenses are included in the Statement of functional Expenses in the categories to which they relate.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2009

NOTE 4 - EXPENSE ALLOCATION METHODS

Expenses were allocated in the accompanying financial statements to program and administrative functional expense groups. The methods of allocation were based on the Agency's estimates of the relative proportion of various staff members' time and effort between program and administrative functions as well as the Agency's estimates of the amount of each expense utilized for the program or administrative functions.

NOTE 5 - CONCENTRATION OF RISK

Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of promises to give receivable. Amount receivable from promises to give at December 31, 2009 consists of \$257,617 from the United Way of Southwest Louisiana.

The Agency also has exposure for credit risk with regard to the investments in mutual funds with fair market values totaling \$270,158 because those funds are not insured against market risk.

NOTE 6 - PROMISES TO GIVE

During the year ended December 31, 2009, the Agency received its 2010 United Way allocation. This allocation is temporarily restricted at time of receipt and is properly reflected in the accompanying statement of activities as an increase in temporarily restricted net assets. Uncollectible allocations are expected to be insignificant.

Unconditional promises to give at December 31, 2009
are as follows:

Receivable in less than one year	<u>\$257,617</u>
Total unconditional promises to give	257,617
Less discounts to net present value	-
Less allowance for uncollectible promises receivable	-
Net unconditional promises to give at December 31, 2009	<u>\$257,617</u>

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2009

NOTE 7 - RETIREMENT COMMITMENTS

The Agency contributes to a defined contribution plan through Mutual of America Life Insurance Company.

Full time employee membership is mandatory as a condition of employment. Eligibility requirements consist of minimum age of 21 and 1000 hours of service. Participants are fully vested upon completion of 3 years of service.

The Agency is required to contribute 9.5% of the participants' compensation. Non-deductible voluntary employee contributions are not permitted. Total contributions made by the Agency for 2009 were \$95,570. Mutual of America Life Insurance Company issues an annual financial report that includes financial statements and required supplementary information for the plan. That report is available upon request.

NOTE 8 - INVESTMENTS

The Agency's investments at December 31, 2009 consisted of mutual funds and certificates of deposit with fair market values (quoted prices in active market – Level 1) and cost bases (basis includes reinvested dividends and capital gain distributions) as follows:

	<u>FMV</u>	<u>Cost</u>
Edward Jones – American Funds	\$270,158	\$302,886
Cameron State Bank	116,649	116,649
Capital One Bank - CD	118,137	118,137
Total Investments	<u>\$504,945</u>	<u>\$537,672</u>

Investment return for the year ended December 31, 2009 is summarized as follows:

Interest Income	\$ 12,678
Realized Gain (Loss)	-
Net Unrealized Gain (Loss) on Investments	<u>64,802</u>
Total Unrestricted Investment Income	<u>\$ 77,480</u>

NOTE 9 - LEASES

The Agency entered into cancelable leases at several locations. Lease expense for 2009 was \$34,800.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2009

NOTE 10 – UNEARNED INCOME

As of December 31, 2009, the Agency received \$198,093 in grant proceeds that are to be used during 2010.

NOTE 11 – TANF EXPENDITURES

The following is a schedule of TANF expenditures for fiscal year December 31, 2009:

Salaries	\$ 98,139
Employee benefits	16,244
Professional fees	676
Supplies and operating expenses	15,442
Travel	3,635
Training	680
Printing	740
Administrative	<u>400</u>
Total	<u>\$135,956</u>

Note 12 – SUBSEQUENT EVENT

In May 2009, the Financial Accounting Standards Board issued Statement 165, Subsequent Events, to incorporate the accounting and disclosure requirements for subsequent events into U.S. generally accepted accounting principles. Statement 165 (now FASB codification 855-10-05) introduces new terminology, defines a date through which management must evaluate subsequent events or transactions occurring after the balance sheet date. The Agency adopted Statement 165 as June 30, 2009, which was the required effective date.

The Agency evaluated its December 31, 2009 financial statements for subsequent events through April 30, 2010, the date the financial statements were available to be issued. The Agency is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

Note 13 – ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are reported net of any allowance for doubtful accounts. The Agency provides for doubtful accounts based on experience and analysis of individual accounts.

Note 14 – RELATED PARTY TRANSACTION

The Agency contributed \$120,000 to the Family Foundation of SWLA in 2009. The Family Foundation of SWLA was established to perpetuate the programs and services of Family and Youth Counseling Agency, Inc.

SUPPLEMENTAL INFORMATION

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2009

Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of Family and Youth Counseling Agency, Inc. (FYCA).
2. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of FYCA were disclosed during the audit.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2008

NONE

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Family and Youth Counseling Agency, Inc.
Lake Charles, Louisiana

I have audited the financial statements of Family and Youth Counseling Agency, Inc. as of and for the year ended December 31, 2009, and have issued my report thereon dated April 30, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Family and Youth Counseling Agency, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Family and Youth Counseling Agency, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

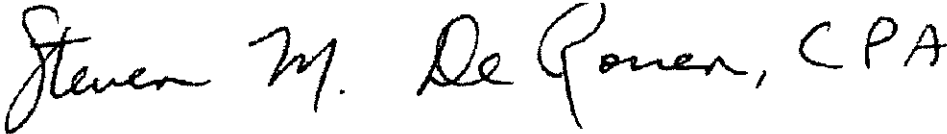
The Board of Directors
Family and Youth Counseling Agency, Inc.
Lake Charles, Louisiana
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My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether Family and Youth Counseling Agency, Inc.'s, financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Steven M. DeGoner, CPA

Lake Charles, Louisiana
April 30, 2010